

Message Text

LIMITED OFFICIAL USE

PAGE 01 EC BRU 11270 161817Z

45

ACTION EUR-12

INFO OCT-01 EA-07 ISO-00 AID-05 CEA-01 CIAE-00 COME-00

EB-07 FRB-03 INR-07 NSAE-00 CIEP-01 SP-02 STR-04

TRSE-00 LAB-04 SIL-01 SAM-01 OMB-01 INT-05 /062 W

----- 057255

R 161824Z DEC 75

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC 165

INFO AMEMBASSY TOKYO

AMEMBASSY LONDON

LIMITED OFFICIAL USE EC BRUSSELS 11270

E.O. 11652: N/A

TAGS: EGEN, EEC, JA

SUBJECT: EC COMMISSION/JAPAN CONSULTATIONS OF DECEMBER 11-12:

HIGHLIGHT, JAPANESE RESPONSE ON AUTO STANDARDS

REF: A. EC BRUSSELS 11173

B. EC BRUSSELS 10726

1. THE ACCOUNT OF THE SEMI-ANNUAL EC COMMISSION/JAPAN CONSULTATIONS GIVEN US BY A COMMISSION OFFICIAL INDICATES THEY WERE DOMINATED BY BILATERAL COMPLAINTS BY THE COMMUNITY AGAINST JAPAN. THE COMMISSION EMPHASIZED ITS PREOCCUPATION WITH THE LARGE AND GROWING TRADE DEFICIT WITH JAPAN-WHICH THIS YEAR WILL BE ON THE ORDER OF \$2.3 BILLION. THE JAPANESE RESPONSE THAT THIS WAS COMPENSATED FOR BY A JAPANESE INVISIBLES DEFICIT WITH THE EC, DID NOT IN THE COMMISSION'S VIEW STAND UP, IN THAT JAPAN WAS COUNTING IN CAPITAL FLOWS THROUGH LONDON, NOT ALL OF WHICH REPRESENTED PAYMENT FOR EC SERVICES.

2. THE COMMISSION ALSO HAD BONES TO PICK WITH JAPAN OVER STEEL, SHIP-BUILDING AND AUTOMOBILES. THE STEEL DISCUSSION AVOIDED THE ISSUE OF INDUSTRY-TO-INDUSTRY RESTRAINT ARRANGEMENTS. THE JAPANESE WERE CURIOUS AND THE COMMISSION FILLED THEM IN ON THE COMMISSION DECISION TO CONSULT WITH THE EC COUNCIL ON ESTABLISH-

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 EC BRU 11270 161817Z

ING MINIMUM PRICES FOR STEEL. THE DISCUSSION OF SHIP-

BUILDING WAS ESSENTIALLY A FOLLOW-ON TO THE RECENT OECD TALKS; IT WAS INCONCLUSIVE BUT LEFT THE COMMISSION WITH THE IMPRESSION THAT THE JAPANESE ARE STRONGLY RESISTANT TO THE IDEA THAT THEY SHOULD REDUCE CAPACITY.

3. THE AUTOMOBILE PROBLEM WAS DISCUSSED SOMEWHAT MORE SATISFACTORILY FROM THE COMMISSION'S POINT OF VIEW. THE JAPANESE SIDE WAS PREPARED TO RESPOND IN SOME MEASURE TO THE COMMISSION'S RECENT DEMARCHE REGARDING JAPANESE ADMINISTRATIVE BARRIERS. THEY SAID THAT THEY DID NOT EXCLUDE THE IDEA THAT TESTS CONDUCTED IN EUROPE COULD BE RECOGNIZED BY JAPAN. HOWEVER, THEY DID NOT MAKE IT CLEAR WHAT SORT OF TESTS WOULD BE RECOGNIZED. THE JAPANESE ALSO DID NOT EXCLUDE THE POSSIBILITY OF SENDING THEIR OWN EXPERTS TO EUROPE TO CONDUCT TESTS. THE JAPANESE SAID THEY WOULD "MAKE AN EFFORT" TO GIVE LONGER LEAD TIME WHEN IMPOSING NEW AUTO REGULATIONS. THEY WERE ALSO FORTHCOMING ON VARIOUS MINOR ISSUES. HOWEVER, THE JAPANESE POSITION WAS VAGUE ALL ALONG THE LINE AND IT WAS AGREED TO CONTINUE THE DISCUSSIONS AT A TECHNICAL LEVEL EARLY NEXT YEAR.

4. MULTILATERAL ISSUES WERE, HOWEVER, DISCUSSED. AFTER AN EXCHANGE OF VIEWS ON THE ECONOMIC OUTLOOK THE COMMISSION SUGGESTED THAT THE CURRENT, AND APPARENTLY LAST, JAPANESE REFLATION PROGRAM WAS INSUFFICIENT TO SPUR JAPANESE RECOVERY AT A PACE EQUAL TO THAT OF OTHER INDUSTRIAL NATIONS. THE TWO SIDES EXCHANGED REPORTS ON THE INCHOATE STATES OF THEIR OWN ENERGY POLICIES AND DISCUSSED THE OUTLOOK FOR THE CIEC. IN THE DISCUSSION OF THE MTNS, HIJZEN SUGGESTED THAT IT WAS TIME TO BEGIN A PHASE OF INFORMAL BILATERAL TALKS. THE JAPANESE WELCOMED THIS. THEY INTEND TO STRESS IN THEIR TALKS WITH THE EC THEIR DESIRE FOR THE ELIMINATION OF REMAINING EC QRS ON JAPANESE TRADE.

5. UNDER "OTHER BUSINESS" THE JAPANESE SAID THEY HOPED THE OECD TRADE PLEDGE WOULD BE TAKEN SERIOUSLY BY THE EC AND ITS MEMBER STATES. THE COMMISSION HAS NO DOUBT THE JAPANESE WERE REFERRING TO THE POSSIBILITY OF UK IMPORT RESTRICTIONS.
MORRIS

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: STANDARDS, ECONOMIC CONDITIONS, INDUSTRY, RELATIONS WITH INTERNATIONAL ORGS, MEETINGS, TRADE COMPLAINTS, AUTOMOBILES
Control Number: n/a
Copy: SINGLE
Draft Date: 16 DEC 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: johnsorg
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975ECBRU11270
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750437-0411
From: EC BRUSSELS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19751236/aaaabfzn.tel
Line Count: 98
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 EC BRUSSELS 11173
Review Action: RELEASED, APPROVED
Review Authority: johnsorg
Review Comment: n/a
Review Content Flags:
Review Date: 23 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <23 APR 2003 by MartinML>; APPROVED <06 NOV 2003 by johnsorg>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EC COMMISSION/JAPAN CONSULTATIONS OF DECEMBER 11-12: HIGHLIGHT, JAPANESE RESPONSE ON AUTO STANDARDS
TAGS: EGEN, JA, EEC
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006